

November 7, 2006

## 1120 Stakeholders

We are pleased to post the initial Production version (2006v2.0) of the Tax Year (TY) 2006 XML schemas and Business Rules on the [www.irs.gov](http://www.irs.gov) website (referred to as Release 4.0). These XML schemas focus on the new sub-consolidation schemas structure. Our plans are to post schema version 2006v2.1 next week that will have additional TY2006 forms updates. The Modernized e-File system will open for live processing on January 8, 2007 and schema version 2006v2.X must be used to submit all TY 2006 production returns.

TY 2006 Assurance Testing (ATS) began on November 7, 2006 using schema version 2006v1.2. This version will remain active through December 27, 2006. Effective December 28, 2006 schema versions 2006v2.0 and 2006v2.1 will be installed into ATS and test returns can be sent in through Electronic Management System (EMS) and the Registered User Portal (RUP).

Note: Effective December 28, 2006, Forms 1120 and 1120S schema versions 2006v2.0 or 2006v2.1 must be used to submit all TY 2006 test returns. All prior 2006 schema versions are no longer valid

## **XML Schemas**

The TY 2006 production schemas include all tax forms and schedules for Forms 1120/1120S. Schema version 2006v2.0 is posted to the **Production System** and **ATS System** charts at <http://www.irs.gov/efile/article/0,,id=128360,00.html>. Also included are "Diff Files" that show changes from the October 17, 2006 posting.

The **Production System** table contains the current valid schemas for Forms 1120, 1120S and 7004 that are still being used to process TY 2003, TY2004 and TY2005 tax returns and TY 2005 timely-filed extensions.

Please note: The Instance Document contained in the schema files is viewable with any generic MIME-reader. Found within the 1120 folder, the Instance Document contains an example 1120 transmission.

## **Business Rules**

Release 4.0 TY 2006 (new version 2006v2.0) 1120/1120S Business Rules are posted in two different formats containing identical information – Adobe (.PDF), and Comma Separated File (.CSV). A column within the file identifies key changes made from the last posted version of the business rules. The new rules are posted to the **Production** and **ATS System** charts at <http://www.irs.gov/efile/article/0,,id=128360,00.html>.

As with the XML schemas, current valid Business Rules for TY 2003, TY 2004 and TY2005 are shown in the **Production System** table.

## **Key Changes**

Due to the new sub-consolidation schemas structure, Tax Year 2006 Production schema versions (effective January 8, 2007) and the ATS schema version (effective January 2, 2007) will also change:

- 2006v2.0 is posted to the **Production** and **ATS System** charts to be used to submit TY 2006 tax returns. All prior 2006 schema versions are no longer valid.

Note: There are additional forms changes due to form updates and pending legislation that will be published before the end of the year.

Beginning January 2007, Modernized e-File will only accept 1120/1120S tax returns for Tax Years 2004, 2005 and 2006.

As a reminder, please see the Large and Mid-Size Corporation (LMSB) website for special instructions and interim procedures for taxpayers required to efile at: <http://www.irs.gov/businesses/corporations/article/0,,id=147101,00.html>.

As always if you have any questions or comments, please contact us through the Topica group or the ETA 1120 Team at [1120@irs.gov](mailto:1120@irs.gov). You can also contact Xan Ostro at (202) 283-7697 or Joan Barr from the ETA team at (415) 382-9039. For questions on 7004, you can contact Linda Lateef from the ETA team at (202) 283-0014.